

## **Panel discussion**

### **Forms of Social Democracy and the relationship between Political Economy & Innovation Policy**

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#### **Issues for the debate**

*The United Nations University's World Institute for Development Economics Research<sup>1</sup> estimated the total household wealth of the world at \$125.3 trillion, as of the year 2000. Half the world's 3.7 billion adults, at that time, had less than \$2,161 to their name, the Institute reported. The richest 1 percent of these 3.7 billion — those worth at least \$514,512 — then held 39.9 percent of the world's wealth all by themselves, 13,000 times more than the entire bottom 10 percent.*

The world of 2008 is home to an estimated 6.65 billion people. Humanity has deployed its evolutionary advantages to leverage a species wide total hegemony over the planet earth. This vast and extensive demography spans the globe and is socially organised through political structures. This form of social organisation is generally located geographically and maintained thorough legal regimes which have aggregated settlements into states. Though global transmigration continues to render the relationship between ethnic nationality and nation-states tenuous<sup>2</sup>, the form of political organisation through which peoples are represented are at least recognised as sovereign countries. The United Nations has 192 member states whilst recognising a further two non-member countries.

Whilst there are still a declining number of monarchies or other forms of absolutist rule in existence, the 21<sup>st</sup> Century of the Common Era is characterised by the overwhelming majority of the 194 countries constituting their national governance structures through some form of participative democracy. Most of these democracies are evolutionary formations resulting from contexts with significant differentiation in the form of their respective political economies.

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<sup>1</sup> See the World Income Inequality Database. More details at [www.wider.unu.edu](http://www.wider.unu.edu)

<sup>2</sup> Anderson, Benedict (1991) *Imagined Communities: Reflections On the origin and Spread of Nationalism*, Verso, London.

Another feature of the current era is the increasing number of countries which are adopting Innovation Policies to organise their knowledge resources. Whilst most seek various improvements in their respective economies, societies and politics'; the contextual influence of historical development, science and technology path dependencies and capability-attainments significantly affects the strategy choices of these countries. It is abundantly clear that whilst conceptual coherence with the literature of innovation systems is often maintained, implementation generates huge divergences and differences.

The global growth in inequalities, especially accelerated in the last decade, is moreover being represented within countries. This Panel will focus on both horizontal and vertical inequalities as they manifest themselves in the Panellists country. It is the object of this Panel to speak to the recognition that this phenomenon receives in their respective countries and assess the importance of these features for contemporary research into innovation systems. The Panel will then offer answers to the general question about the variety of forms of social democracy and their relationships with both the political economy and innovation policies.

The specific research questions that this Panel will cover are the following:

- What are the minimum political, social and economic conditions for the reduction of poverty and inequality in any developing economic system?
- What is the relationship between the democratisation of societies and social inequality?
- What is the relationship between human development, capabilities and social inequality?
- What then are the implications for innovation systems, policies and strategies in redressing social, economic and political stratification?